



**Request for City Council Committee Action  
From the City Attorney's Office**

Date: May 16, 2011  
To: Ways & Means/Budget Committee  
Referral to:

Subject: Psycho Suzi's v. City of Minneapolis  
Court File No.:

**Recommendation:** That the City Council approve the settlement of this case by payment of \$60,000.00 payable to Psycho Suzi's, from Fund/Org. 06900-1500100-145690 and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.

**Previous Directives:** None

Prepared by: Thomas J. Miller

Phone: (612) 673-2897

Approved by:

  
Susan L. Segal  
City Attorney

Presenter in Committee: Susan L. Segal, City Attorney

**Financial Impact:**(Check those that apply)

☐ No financial impact (If checked, go directly to Background/Supporting Information).

☐ Action requires an appropriation increase to the \_\_\_\_\_ Capital Budget or \_\_\_\_\_ Operating Budget.

☐ Action provides increased revenue for appropriation increase.

☐ Action requires use of contingency or reserves.

☐ Business Plan: \_\_\_\_\_ Action is within the plan. \_\_\_\_\_ Action requires a change to plan.

☒ Other financial impact (Explain): \$60,000.00 from Fund/Org. 06900-1500100-145690

☐ Request provided to department's finance contact when provided to the Committee Coordinator.

**Community Impact:** Other

**Background/Supporting Information:**

On February 11, 2011, a City water main ruptured on Lowry Avenue between Second and Third Street Northeast. The street in that area buckled releasing water into the basements of some homes and businesses. The claimant, Psycho Suzi's, owns a building located at 220 Lowry Avenue Northeast. The building is a one-story storage facility and workshop for Psycho Suzi's. The street level of the building flooded and the basement, which houses the workshop and storage had four and one-half feet of water in it. The furnaces and water heaters were rendered inoperable as were all power tools. The tile ceiling came down and the electrical shorted out in the lower part of the building. The sheetrock walls were soaked and the sanitary sewer lines backed up.

Following extensive negotiations, we have reached a tentative settlement of Psycho Suzi's property damage claim against the City in the amount of \$60,000.00. This proposed settlement has been discussed with the Public Works Department and they are in agreement with the terms. We believe that the settlement is in the best interests of the City and recommend approval by this Committee.

TJM / 11-09828